

Electric Utility Commission

Resolution

August 16, 2010

WHEREAS, since at least 2007 the EUC has annually recommended that ratepayers not be required to fund the Economic Growth and Redevelopment Services Office (EGRSO), particularly if Austin Energy is unable to control the spending of money it contributes to that office;

WHEREAS, Austin Energy's transfer to EGRSO has grown from \$4.2 Million in 2001 to \$8.5 Million in 2009 and is projected to be \$9.8 Million in 2010 – 2011;

WHEREAS, the mission of EGRSO is worthwhile and important, so much so that the City should pay for it directly;

WHEREAS, Austin Energy's assistance to low income residents through the Customer Assistance Program (CAP) was approximately \$350,000 last year, with \$300,000 coming from Austin Energy and approximately \$50,000 coming from customer donations.;

WHEREAS, the rates paid by customers eligible for Customer Assistance Program are expected to increase significantly in the spring of 2011 when Austin Energy's contract for the first batch of green energy expires;

WHEREAS, the Mayor's Generation Planning Task Force unanimously recommended that Austin Energy establish an auction system available to Austin's current large employers to bid on energy conservation measures to be implemented by those employers;

WHEREAS, many of Austin Energy's large customers have been harmed by the economic crisis, and it is appropriate to remind Austin Energy's existing large customers how valued they are by Austin Energy;

WHEREAS, the Electric Utility Commission believes that the Customer Assistance Program should receive guaranteed funds sufficient to avoid a rate increase in 2011, while EGRSO should only be eligible to receive voluntary contributions from the ratepayers who elect to do so;

WHEREAS, Austin Energy is preparing for a rate case in 2012 and in preparation for that rate case should eliminate as many expenditures as possible that are not related to Austin Energy's core mission of delivering electrical energy and providing related services;

Resolved, that the proposed 2010 – 2011 budget for Austin Energy is NOT APPROVED unless the following modifications are made:

1. The approximately \$9.8 million allocated for EGRSO be DELETED and be replaced with the following:

- a. \$3,200,000 be allocated towards the Customer Assistance Program, which should be allocated first towards avoiding a rate increase for those CAP customers affected by the expiration of the E01A Green Choice Rate in spring of 2011 and any excess being used for programs benefitting low and middle income customers as approved by the City Manager;
 - b. \$3,200,000 be allocated towards an auction for energy conservation programs in which existing large Austin employers and other customers or groups of customers are allowed to participate to use money for DSM projects so long as such projects are tied to verifiable new commitments of jobs and/or preservation of existing jobs, as determined by the City Manager; and
 - c. \$3,400,000 be allocated towards reducing the planned deficit of Austin Energy;
2. That the current \$300,000 budget for CAP be dedicated to ERGSO; and
3. The current voluntary program of funding the Citizens Assistance Program be ABOLISHED and in lieu thereof every ratepayer be invited to check the same box available on utility bills that is currently used to fund CAP and instead that box be used for making a voluntary contribution to EGRSO.